



March 5, 2013

Written testimony of Paul Liistro, President of the CT Association of Health Care Facilities, and owner of Manchester and Vernon Manor. Concerning:

S.B. No. 1025 (RAISED) AN ACT CONCERNING ADVANCE PAYMENTS TO NURSING FACILITIES FOR UNCOMPENSATED CARE;

S.B. No. 1022 (RAISED) AN ACT CONCERNING PROVIDING INCENTIVES TO MEET LONG-TERM CARE GOALS;

H.B. No. 6543 (RAISED) AN ACT AMELIORATING THE DEBT OWED TO NURSING FACILITIES.

Good afternoon Senator Slossberg, Representative Abercrombie and to the members of the Human Services Committee. My name is Paul Liistro, I am President of the CT Association of Health Care Facilities, and owner of Manchester and Vernon Manor. I am a second generation owner and operator, a provider of nursing care in the communities of Manchester and Vernon for nearly 50 years. My facilities have been distinguished with many industry awards, recognitions and accreditations for outstanding quality care. Additionally, as President of the Association, I represent nearly 170 fine Long Term Care and post hospital nursing centers across the state. I am here this afternoon to ask the Human Services Committee to support three bills being advanced by the Connecticut Association of Health Care Facilities (CAHCF):

S.B. No. 1025 (RAISED) AN ACT CONCERNING ADVANCE PAYMENTS TO NURSING FACILITIES FOR UNCOMPENSATED CARE;

This legislation is needed to address the persistent and worsening problem of excessive delays in the long term care Medicaid eligibility determination process at the Connecticut Department of Social Services (DSS) for skilled nursing facilities. The situation is clear to understand. A patient makes an application for Medicaid assistance and submits it to DSS. Then it takes DSS nearly 6-7 months to approve the application. The federal standard is for applications to be approved in 45 days. In the meantime, the provider receives NO payment for care provided to the patient. The average facility has 8 such pending cases and is owed \$250,000. My two facilities are owed \$1,500,000.00 for over 30 patients. In fact we estimate, and DSS does not disagree, that CT nursing centers are owed nearly \$60 million dollars. Connecticut skilled nursing facilities and their residents are harmed by excessive delays in the eligibility determination process.



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S.B. No. 1025 addresses this situation by requiring advanced payments for the money owed by the state and addresses other inequities associated with the Nursing Home Provider Tax. The authority for payments has a sunset provision by requiring requests for advance payments to be made by January 1, 2014.

Next, S.B. No. 1022 (RAISED) AN ACT CONCERNING PROVIDING INCENTIVES TO MEET LONG-TERM CARE GOALS

We want to assist the state in achieving its goal to rebalance the size of the LTC industry. Connecticut should implement financial incentives for nursing facilities to achieve reductions in total nursing home licensed bed capacity. Specifically, the proposal will require DSS to provide cost-effective rate increases whenever a nursing home voluntarily reduces licensed bed capacity, either permanently or temporarily. This will complement the full range of programs and policies in place, such as Money Follows the Person and other home and community based services initiatives, to further the state's goals to reduce the supply of nursing facility beds.

Finally, H.B. No. 6543 (RAISED) AN ACT AMELIORATING THE DEBT OWED TO NURSING FACILITIES.

Section 1 of this legislation addresses the difficult situations that arise when a nursing facility resident or designated responsible party fails to pay their required share of the cost of nursing home care, commonly referred to as "applied income. Typically this amount is available to the resident from monthly social security, retirement benefits, and other income sources, and is required to be paid to the nursing home. Specifically, this proposal will allow nursing home facilities to transfer or discharge nursing home residents who fail to pay applied income to the facility for more than sixty days. At the outset, I want to state that it's our nursing home's strong desire to never get to this point. But when the patient's family refuses to pay. What are we to do?

In closing, Connecticut nursing homes remain in a period of ongoing financial distress. Medicare reductions in 2012 were as high as 16% in many Connecticut nursing homes and additional federal cuts are proposed this year. A 2% Medicare sequestration cut, unfortunately, is now set for April 1, 2013. On average, providers are paid today \$14.73 per patient day less than what it costs to care for our residents. For the typical nursing facility, this represents over \$400,000 per year in unfunded costs. There has been no rate increase in the system since 2007, except for increases made possible by increasing the user fees paid by nursing homes themselves (these increase are proposed for reduction in this budget). More challenges are ahead as the state continues its efforts to rightsize and rebalance Connecticut's long term care system. The three bills recommended by CAHCF are measured and badly-need to assist nursing homes with the issues they face in this challenging environment.

I would be happy to answer any questions you may have.